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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

Arizona Corporation Commission

DOCKETED

JUN 27 2013

DOCKETED BY

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IN THE MATTER OF THE APPLICATION
 OF AVRA WATER CO-OP, INC. FOR A
 DETERMINATION OF THE FAIR VALUE
 OF ITS UTILITY PROPERTY AND FOR AN
 INCREASE IN ITS WATER RATES AND
 CHARGES FOR UTILITY SERVICE -
 COMPLIANCE FILING PER DECISION
 NO. 73657

DOCKET NO. W-02126A-11-0480

DECISION NO. 73927ORDER

Open Meeting
 June 11 and 12, 2013
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Avra Water Co-op, Inc. ("Avra" or "Company") is certificated to provide water service as a public service corporation in the State of Arizona.

2. On February 6, 2013, the Arizona Corporation Commission ("Commission") issued Decision No. 73657 approving adjusted rates for Avra. As part of the Decision, the Commission ordered that Avra file with Docket Control, as a compliance item in this docket within 90 days of the effective date of the Decision, at least seven Best Management Practices ("BMPs") in the form of tariffs that substantially conform to the templates created by Staff for Commission review and consideration.¹

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¹ Decision No. 73657 at 15:3-6.

3. On April 15, 2013, Avra filed its proposed BMP tariffs. In its compliance filing the Company is requesting Commission approval to implement the water conservation measures listed below.

- **Local and/or Regional Messaging Program Tariff – BMP 1.1:** A program for the Company to actively participate in a water conservation campaign with local or regional advertising.
- **New Homeowner Landscape Information Tariff – BMP 2.3:** A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping.
- **Residential Interior Retrofit Program Tariff – BMP 3.4:** A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence.
- **Customer High Water Use Inquiry Resolution Tariff – BMP 3.6:** A program for the Company to assist its customers with their high water-use inquiries and complaints.
- **Customer High Water Use Notification Tariff – BMP 3.7:** A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation.
- **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.
- **Public Education Program Tariff:** A program for the Company to provide free written information on water conservation measures to its customers and remind them of the importance of conserving water.²

Staff's Analysis

Background Information and Service Area Characteristics

4. Avra reported serving approximately 2,500 metered customers as of December 2012.³ The Company serves primarily residential customers located in Avra Valley which is northwest of the Tucson metropolitan area in Pima County, Arizona. Avra's certificated area encompasses 12.48 square miles. The Company is located in the Arizona Department of Water Resources' ("ADWR") Tucson Active Management Area. Avra is enrolled as a tier I municipal

² While the Public Education Program counts toward meeting the BMP requirement it is not officially referred to as a BMP in Arizona Department of Water Resources documents.

³ Per information contained in the Company's Annual Report filed with the Commission for the year ending December 31, 2012.

1 provider in ADWR's Modified Non-Per Capita Conservation Program. Under the ADWR
2 program, Avra has implemented BMPs 1.1 and 2.3.

3 5. The Company selected the above BMPs based on the characteristics of its current
4 service area and believes these BMPs will allow it to address high water use and waste by
5 educating customers about water conservation and the need to conserve. The Company also
6 believes that these BMPs are the most beneficial to its customers and the most cost effective for
7 the Company to implement. The Company has already implemented many of the provisions
8 contained in the selected BMPs.

9 6. Avra has a web site and the web site address is printed on each bill sent to its
10 customers. Included on the web site is information regarding water conservation and ways to
11 obtain water conservation pamphlets and brochures at no cost. Water conservation information is
12 also available to customers when they visit the Company's office.

13 7. The Company's billing system enables it to determine if a customer's water use is
14 abnormally high. Further, the Company maintains customer contact information that allows it to
15 contact the customer whenever water usage is high. Company field personnel are in the service
16 area on a daily basis which allows the Company to identify and investigate problems such as water
17 standing or running down the street.

18 Proposed Tariffs

19 8. Staff created a set of BMP tariff templates that were developed using the BMP
20 descriptions outlined in the ADWR Modified Non-Per Capita Conservation Program and relevant
21 ADWR documents. ADWR representatives were provided with a copy of these templates,
22 revisions were made to the templates where appropriate to incorporate any comments/suggestions
23 provided by ADWR. The tariffs proposed conform to the templates developed by Staff.

24 **Recommendation**

25 9. Staff has concluded that the BMPs proposed are relevant to Avra's service area
26 characteristics. The tariffs proposed by Avra conform to the templates developed by Staff. Staff
27 has recommended approval of the BMP tariffs filed by the Company on April 15, 2013, attached
28 hereto as Exhibit A.

1 CONCLUSIONS OF LAW

2 1. Avra Water Co-op, Inc. is a public service corporation within the meaning of Article
3 XV, Section 2, of the Arizona Constitution.

4 2. The Commission has jurisdiction over Avra Water Co-op, Inc. and of the subject matter
5 of the Application.

6 3. The Commission, having reviewed the filing and Staff's Memorandum dated May
7 20, 2013, concludes that it is in the public interest to approve the proposed BMP tariffs attached
8 hereto as Exhibit A.

9 ORDER

10 IT IS THEREFORE ORDERED that the Avra Water Co-op, Inc. BMP tariffs attached
11 hereto as Exhibit A are hereby approved.

12 IT IS FURTHER ORDERED that Avra Water Co-op, Inc. shall notify its customers, in a
13 form acceptable to Staff, of the BMP tariffs authorized herein and their effective date by means of
14 either an insert in the next regularly scheduled billing or by a separate mailing and shall provide
15 copies of the BMP tariffs to any customer upon request.

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IT IS FURTHER ORDERED Staff shall file a letter in the Docket confirming that the Avra Water Co-op, Inc. tariffs have been updated with the tariffs approved herein.

IT IS FURTHER ORDERED that the BMP tariffs authorized herein shall go into effect 30 days after the date notice is sent to customers.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

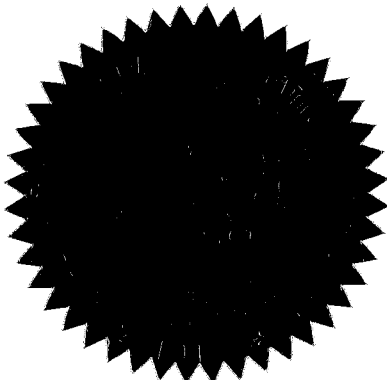

CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 27th day of June, 2013.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:DWS:sms\WVC

1 SERVICE LIST FOR:
2 DOCKET NO. W-02126A-11-0480

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EXHIBIT A

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

Local and/or Regional Messaging Program Tariff – BMP 1.1

PURPOSE

A program for the Company to actively participate in a water conservation campaign with local or regional advertising (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
 - a. Television commercials
 - b. Radio commercials
 - c. Websites
 - d. Promotional materials
 - e. Vehicle signs
 - f. Bookmarks
 - g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of the messaging program implemented and program dates.
 - b. The number of customers reached (or an estimate).
 - c. Costs of Program Implementation.

Revised: 10-4-10

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

NEW HOMEOWNER LANDSCAPE INFORMATION TARIFF – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, all applicable tariffs, a basic interior-exterior water saving pamphlet, xeriscape landscape information, and information on where to find low water use plant lists, watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

Revised 5-2-11

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and provide the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

Residential Interior Retrofit Program Tariff – BMP 3.4

PURPOSE

A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.4: Residential Interior Retrofit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall provide to residential customers that request them that live in homes built prior to the adoption of the 1990 Uniform Plumbing Code free or low cost low water use fixtures such as faucets, faucet aerators, low flow shower heads, toilets and toilet dams. The Company must offer the fixtures/fixture retrofits to all residential customers meeting the above criteria unless the Company can demonstrate that targeting certain portions of its water service area is likely to yield the highest participation and/or potential water savings.
2. The fixtures or retrofit kit shall include detailed instructions for installing the retrofit fixtures.
3. The Company shall select appropriate communications channels to advertise the program.
4. The Company shall keep a record of the following information and make it available upon request.
 - a. A description of the Residential Interior Retrofit Program including a description of the fixtures provided to customers and estimated water savings as a result of Program implementation.
 - b. The number of retrofit fixtures requested by customers and the number of fixtures provided.
 - c. Costs of the Residential Interior Retrofit Program.

Revised: 10-4-10

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

Customer High Water Use Notification Tariff – BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification the customer will be reminded of at least the following water saving precautions:
 - a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
 - b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
 - c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
 - d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.

Revised 4-15-10

6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
 - a. More people in the home than usual taking baths and showers.
 - b. Doing more loads of laundry than usual.
 - c. Doing a landscape project or starting a new lawn.
 - d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publication, and rebate programs.
8. The Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering, or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual charges.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Revised 5-26-11

Avra Water Co-op, Inc.		Decision No: 73657	
W-02126A-11-0480		Effective Date:	

Public Education Program Tariff

PURPOSE

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measure and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.